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FM SECSTATE WASHDC

TO ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS

TRSY WASHDC

AMCONSUL BIEN HOA

AMCONSUL CAN THO

AMCONSUL DANANG

AMCONSUL HONG KONG

AMCONSUL NHA TRANG

USDEL JEC PARIS

INFO USSAGE NKP

CINCPAC HONOLULU HI

COGARD

AMEMBASSY BUDAPEST BY POUCH

XMT AMEMBASSY SUVA

AMEMBASSY RANGOON

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COGARD FOR POLAD

E.O. 11652: N/A

TAGS: PFOR, XC, US

SUBJECT: JANUARY 6 EA PRESS SUMMARY

1. CHINA

LAT DISPATCH (JAN 2) REPORTS TWO STOWAWAYS WHO ESCAPED

PRC BY HIDING ON OUTBOUND PFEL FREIGHTER HAVE BEEN

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GIVEN TEMPORARY PERMISSION TO REMAIN IN US WHILE INS

DECIDES WHETHER TO GRANT POLITICAL ASYLUM.

NY'S FIRST NATIONAL CITIBANK REPORTS PRC HAD ITS FIRST BIG INTERNATIONAL DEFICIT IN 1974 -- ESTIMATED AT ABOUT 735 MILLION DOLLARS -- WITH IMPORTS FROM US ONE MAJOR FACTOR (WP). CITIBANK ECONOMISTS JOINED OTHERS IN PREDICTING CHINA MAY BE COUNTING ON VASTLY INCREASED OIL EXPORTS FROM NEWLY-EXPLOITED RESERVES TO CLOSE GAP; PRC OIL ALSO WAS PICTURED AS STRATEGIC DIPLOMATIC AND ECON TOOL IN CONTINUING SINO-SOVIET STRUGGLE (AP, SUN).

SUN CARRIES PHOTO OF SECOND CENTURY BRONZE HORSES THAT ARE IN PRC ARCHAEOLOGICAL EXHIBIT NOW AT NATIONAL GALLERY. SAYS EXHIBIT WILL BE SUBJECT OF SPECIAL LECTURE TUESDAY AND THURSDAY AT WALTERS ART GALLERY'S GRAHAM AUDITORIUM IN BALTIMORE.

AP WIREPHOTO FROM NCNA SHOWS COTTON STACKED IN SMALL MOUNTAINS AT PURCHASING STATION IN HONAN PROVINCE (LAT JAN 2).

CKS PAINTED OPTIMISTIC PICTURE OF ROC IN SPECIAL NEW YEAR'S MESSAGE LAST WEDNESDAY, AND SAID HIS COUNTRY IS GAINING GROUND AGAINST PRC. HE ALSO PREDICTED PRC INTERNAL DISORDER IF NPC IS CONVENED AND CHIANG CHING PUT IN POSITION OF POWER (LAT JAN. 2).

2. MONGOLIA

NYT'S WREN, IN ULAN BATOR, REPORTS SOVIET AND MONGOLIAN CONSTRUCTION WORKERS LABORING TOGETHER TO TURN ERDENET IN OBO INTO WHAT OFFICIAL REPORTS PROMISE WILL BECOME ONE OF WORLD'S 10 LARGEST MINING COMPLEXES. EXTENSIVE DEPOSITS OF COPPER AND MOLYBDENUM ORE WILL EVENTUALLY BE EXTRACTED BY OPEN-PIT METHODS AND PROCESSED AT STILL-UNFINISHED TOWN OF ERDENET. COMPLEX WILL EMPLOY SOVIET TECHNOLOGY, MACHINERY AND EVEN ELECTRICITY FROM SIBERIA. IN RETURN, NEW RAILROAD SPUR WILL CARRY ORE CONCENTRATES BACK TO SOVIET.

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WREN REPORTS ERDENET HAS BEEN DESCRIBED IN ULAN BATOR AS LARGEST JOINT SOVIET-MONGOLIAN PROJECT IN COUNTRY; ONCE COMPLETED, IT WILL HELP INTEGRATE MONGOLIA INTO DEVELOPING SIBERIA ECONOMY. TASS REPORTS MPR BUYS ALMOST ALL OF ITS FUEL AND INDUSTRIAL RAW MATERIALS, 90 PERCENT OF ITS PLANT AND MACHINERY IMPORTS AND OVER HALF ITS FOOD AND CONSUMER GOODS FROM SOVIET. SOVIET

INVESTMENT IN MONGOLIA ESTIMATED AT CLOSE TO 1.8-BILLION DOLLARS IN LAST DECADE.

BUT ERDENET IS ALSO SOURCE OF OBVIOUS PRIDE FOR MONGOLIANS, WHO WANT TO THRUST THEIR COUNTRY FORWARD FROM AGRIC TO INDUSTRIAL BASE AND ARE GRATEFUL FOR SOVIET ASSISTANCE. AS ERDENET PARTNERSHIP IS DESCRIBED IN ULAN BATOR, MONGOLIANS HAVE 51 PERCENT OF OPERATION AND SOVIET 49 PERCENT. BUT MONGOLIANS HAVE AGREED TO REPAY SOVIET TECHNOLOGY AND MACHINERY WITH COPPER AND MOLYBDENUM PRODUCED FROM ERDENET OVER WHAT IS BELIEVED TEN-YEAR PERIOD.

3. PHILIPPINES

AP (MANILA) REPORTS MANSFIELD PARTY DEPARTED PHILS SUNDAY EN ROUTE HOME AFTER 24-HOUR MANILA STOPOVER. GROUP SEEN OFF AT AIRPORT BY MRS. MARCOS (SUN, NYDN).

4. SINGAPORE

PANAMANIAN-REGISTERED FREIGHTER "UNION PACIFIC," OWNED BY AMCIT, SEIZED FOR NOT PAYING REPAIR BILL, SLIPPED OUT OF SINGAPORE LAST WEEK, ACCORDING SINGAPORE SUNDAY TIMES. 1625 TON VESSEL HAD ONLY SEVEN-MAN CREW ON BOARD, NO QUALIFIED NAVIGATOR AND LUBRICATING OIL AND STORES RUNNING LOW (UPI PHINQ, NYDN).

5. MALAYSIA

NEGRI SEMBILAN STATE CHIEF MINISTER MANSOR TELLS NEWS CONFERENCE OF PLANS FOR 800-MILLION DOLLAR PETRO-CHEMICAL COMPLEX TO BE SET UP WITH ME PARTNERS. SAID MORE DETAILED PLANS WILL FOLLOW TECHNICAL TEAM'S ME UNCLASSIFIED

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VISIT NEXT MONTH, AND SAW INDICATIONS PETRO-GAS WILL BECOME MAIN VEHICLE OF ARAB INVESTMENTS IN SEA IN NEXT FEW YEARS (CSM).

6. INDOCHINA

EMBASSY SAYS US DIPLOMAT WILLIAM A. BENNETT, POLITICAL OFFICER ASSIGNED TO ONE-MAN POST IN TUY HOA, KILLED AT HOME SATURDAY BY EXPLOSION WHOSE CAUSE UNKNOWN (UPI SAIGON).

AP (WP) QUOTES SAIGON AIRPORT SOURCES THAT AIR AMERICA C-123 ON CONTRACT TO USG MISSING ON COASTAL FLIGHT.

GVN MIL COMMAND REPORTS NVA ASSAULT ON PHUOC BINH CITY

FOR FIFTH STRAIGHT DAY, GOVT DEFENDERS STILL FIGHTING BACK AND RADIO COMMUNICATIONS INTACT DESPITE 1000-ROUND BARRAGE OF MORTAR, ROCKET AND ARTILLERY FIRE. MANY OF CITY'S 26,000 CIVILIANS, MOSTLY REFUGEES, REPORTED WOUNDED OR STARVING. GVN GARRISON IS ABOUT 2500, MOSTLY MILITIA, WHILE NVA HAS 6000 IN PROVINCE. ARVN SENT SOME REINFORCEMENTS BY HELICOPTER SATURDAY AND SUPPLIES HAVE BEEN AIRDROPPED. INDEPENDENT REPORTS REACHING SAIGON FROM PHUOC BINH SKETCHY AND OFTEN CONTRADICTORY, AND UNCLEAR HOW MUCH OF THE CITY IS UNDER COMMUNIST CONTROL (AP, SUN). MIL SOURCES SAY COMMUNISTS HIT LARGE BUNKER IN PHUOC BINH BUT FAIL TO DRIVE OUT ABOUT 100 LAST-DITCH DEFENDERS. BECAUSE BUNKER HOLDS OUT, GVN INSISTS CITY HAS NOT FALLEN; IN SAIGON SENIOR OFFICER SAYS COMMUNISTS HAVE "99 PERCENT" OF PHUOC BINH (UPI NYDN, CHITRIB). MIL SOURCES SAY BATTLE FOR BUNKER IS STANDOFF BECAUSE IT WAS BUILT TO WITHSTAND DIRECT ARTILLERY FIRE AND CONTAINS ABOUT THREE MONTHS' SUPPLY OF FOOD AND AMMO (UPI, WP). NYT'S MARKHAM IN SAIGON NOTES THAT PHUOC BINH IS FIRST PROVINCE CAPITAL TO BE ASSAULTED SINCE C-F. QUOTES MIL ANALYSTS THAT SITUATION LOOKS BLEAK FOR DEFENDERS, AND SOME SPECULATION THAT NVA MAY BE TRYING TO DRAW MORE GVN REINFORCEMENTS INTO TOWN BEFORE MAKING ALL-OUT PUSH. ONLY KNOWN FOREIGNERS IN PHUOC BINH ARE TWO NZ RC NUNS WHO HAD BEEN RUNNING ORPHANAGE AND DISPENSARY FOR MONTAGNARDS. UNCLASSIFIED

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MCARTHUR (LAT 12/31) SEES FIRST PHASE OF NVA DRY SEASON OFFENSIVE COMING TO "SOME KIND OF CLIMAX" AT PHUOC BINH, REVIEWS GLOOMY MIL SITUATION THERE. REPORTS THAT SAIGON MIL PLANNERS WEIGH HOW MUCH THEY CAN PAY FOR PHUOC BINH, AND THAT "ONLY A HANDFUL" OF REINFORCEMENTS WERE SENT IN. QUOTES WESTERN MIL OFFICER THAT THERE IS NO POSSIBILITY OF RELIEF FORCES GETTING THROUGH AND SVN CANNOT ABSORB THE EXTRA AIRLIFT REQUIREMENTS. SAYS ONE REASON AIRLIFT IS IMPOSSIBLE IS BECAUSE OF TIGHT GASOLINE RATIONING DUE TO DIMINISHING US AID.

CSM'S SOUTHERLAND FROM HK SAYS THAT SOME WESTERN INTELLIGENCE EXPERTS WHO SCOFFED AT IDEA OF ALL-OUT COMMUNIST OFFENSIVE IN SVN NOW THINK THAT SERIES OF COORDINATED ATTACKS FALLING JUST SHORT OF SUCH AN OFFENSIVE MAY BE IN OFFING, AND MAY POSE SERIOUS CHALLENGE TO GVN. QUOTES EXPERTS THAT ATTACKS MAY HAVE ALREADY BEGUN WITH PHUOC LONG ASSAULT. WHAT HAS PARTICULARLY ALARMED SOME INTELLIGENCE EXPERTS IS SHARP INCREASE OF SOUTH-BOUND COMMUNIST MIL SUPPLIES IN AREA JUST NORTH OF DMZ.

GVN MIL COMMAND REPORTED THAT VC ROCKETED RADAR SITE ON CHOLON OUTSKIRTS, FOUR CIVILIANS KILLED BUT NO DAMAGE TO STATION (MARKHAM, NYT; UPI, WP; AP, SUN). GVN SPOKESMAN SAID BIEN HOA AIR BASE COMPLEX SHELLED, ONE SOLDIER KILLED (AP, SUN).

SVN NATL ASSEMBLY PASSED RECORD 1.146 BILLION DOL BUDGET WITH ALMOST HALF FOR MIL EXPENDITURE, ACCORDING VN PRESS AGENCY. WESTERN ECONOMISTS REPORT THAT AT LEAST HALF OF GVN REVENUES WILL COME FROM US (CHITRIB; PHINQ).

GKR MIL SOURCES SAY REBELS MADE NEW ADVANCE IN HEAVY FIGHTING ALONG MEKONG EAST BANK LITTLE MORE THAN A MILE FROM DOWNTOWN PP (UPI, NYDN). INSURGENTS HIT BESIEGED FANK TROOPS ON MEKONG TWO MILES EAST OF PP IN WHAT OBSERVERS SAID MAY BE PRELUDE TO ALL-OUT ATTACK ON CAPITAL. INTELLIGENCE REPORTS SAY 15-20,000 REBEL TROOPS BELIEVED TO BE CONCENTRATED AROUND PP. LON NOL UNCLASSIFIED

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MADE FIRST FRONT-LINE INSPECTION SINCE FEB 1971 STROKE

AND ORDERED COMMANDERS TO FIGHT "AT ALL COSTS" TO ACHIEVE MIL VICTORY (AP SUN, NYT, CSM). OTHER FIGHTING REPORTED ON CAPITAL'S NORTHERN FRONT; FIELD REPORTS SAY BATTLE CONTINUES AROUND 7TH DIVISION HQ, 13 MILES NW OF PP. NCNA REPORTED IN DISPATCH MONITORED IN TOKYO THAT INSURGENTS HAVE WON SERIES OF "BRILLIANT VICTORIES" IN OFFENSIVE (AP, SUN).

REUTER PP REPORTS THAT NEWS OF MASSACRE OF 52 CIVILIANS BY COMMUNISTS IN ANG SNOULHAS REACHED CAPITAL. TOWN WAS OCCUPIED FOR TWO DAYS. VISITORS REPORTED FINDING BODIES, INCLUDING TEN CHILDREN, WITH WOUNDS INDICATING THAT THEY WERE SHOT OR BAYONETED (CSM).

GKR MIL OFFICERS REPORT REBELS FIRED 43 ROCKETS AT PP AIRPORT, BUT DID ONLY MINOR DAMAGE (AP SAIGON).

7. JAPAN

WSJ'S PEARLSTINE IN TOKYO NOTES ECONOMISTS' CONSENSUS THAT CURRENT RECESSION IN JAPAN WILL END DURING JFY 75, WITH REAL GNP GROWTH RANGING UP TO EIGHT PERCENT; BUT ADDS THAT OIL CRISIS CAUSED PAST UNANIMITY OF FORECASTS, AND THEIR ACCURACY, TO DISAPPEAR.

JOC SAYS DATA PRODUCTS GROUP OF ITEL CORP OF CALIFORNIA

HAS JOINED SHOWA LEASING COMPANY AND BANK OF TOKYO
IN JOINT VENTURE TO MARKET ITEL SYSTEM 370 PACKAGED
LEASE TO COMPUTER USERS IN JAPAN.

TOKYO UPI (NYDN) REPORTS FROZEN BODY OF MRS. MICHELLE
GUELLUY, WIFE OF SECOND SECRETARY OF FRENCH EMBASSY,
FOUND IN SNOW-COVERED WOODS AT NIKKO; SHE DISAPPEARED
DURING WALK WITH FRIENDS.

TOKYO UPI (CHITRIB) SAYS WORLD IN FOR PEACE AND IMPROVED
ECONOMIC SITUATION THIS YEAR, UNDER BENIGN INFLUENCE
OF RABBIT, WHOSE YEAR IT IS IN DUODECIMAL CHINESE
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CALENDAR.

LAT (JAN 1) CARRIED FEATURE STORY BY TORONTO SUN'S
MAYUMI ARAI ON WORKING LIFE OF YOUNG GIRL EMPLOYED
BY TOKYO DEPARTMENT STORE TO WELCOME CUSTOMERS.

8. KOREA

CSM'S SOUTHERLAND IN SEOUL DISCUSSES NEW NDP LEADER,
KIM YOUNG SAM, HOW HE DEMONSTRATED AGAINST PARK'S

POWER SEIZURE IN 1961 COUP, AND OPPOSES HIS CURRENT
EFFORTS TO HOLD IT. SAYS KIM STRESSES NEED TO REVISE
CONSTITUTION TO PROVIDE DIRECT ELECTION OF PRES; BUT
SOUTHERLAND FINDS SOME VOICES WITHIN NDP CRITICAL OF
KIM'S LACK OF "SUBLETY AND POLITICAL REALISM", WHICH,
KIM ACKNOWLEDGED IN INTERVIEW, DESCRIBED AS DIFFERENCE
ON TACTICS, NOT ON ISSUE OF CONSTITUTIONAL REVISION
WHICH UNITES ALL MEMBERS. CITES KIM BELIEF THAT PARK
EXAGGERATES POSSIBILITY OF NK ATTACK TO JUSTIFY
SUPPRESSION OF OPPOSITION; QUOTES HIM SAYING "NORTH
KOREA ALONE DOESN'T HAVE THE CAPACITY TO ATTACK
SOUTH KOREA. NK MUST HAVE EITHER RUSSIAN OR CHINESE
HELP TO ATTACK, AND THAT IS NOT SOMETHING THEY ARE
WILLING TO GIVE NOW BECAUSE THEY WANT DETENTE WITH THE
UNITED STATES".

9. AUSTRALIA

SUNDAY NIGHT'S CRASH OF BRITISH FREIGHTER INTO
DERWENT RIVER BRIDGE IN TASMANIA SUNDAY NIGHT,
WITH EARLY REPORTS OF SIX KILLED AND 32 HURT,
RECEIVED EXTENSIVE COVERAGE (UPI, WP; AT NYT, PHINQ,
SUN; WIREPHOTOS: UPI SUN, PHINQ; AP, CHITRIB).

LAT'S LAMB, IN SYDNEY, NOTES COLOR TV COMES TO

AUSTRALIA MARCH 1, WHEN NATION'S 63 GOVT TV STATIONS
AND 49 COMMERCIAL OUTLETS WILL COMPLETE 70-MILLION
DOLLAR CONVERSION FROM BLACK/WHITE. ALL INDICATORS
POINT TO BONANZA FOR INDUSTRY, WITH ANALYSTS
ESTIMATING 400,000 SETS POSSIBLY BEING SOLD THIS
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YEAR AND EXPECTATIONS AUSSIES WILL SHELL OUT 1.8-
BILLION DOLLARS BY 1980 WITH COLOR PENETRATING 60
PERCENT OF TV MARKET (JAN 2).

COMMENT AND ANALYSIS

10. CHINA

LAT'S ELEGANT SAYS DISPATCH BY NCNA "INTERPRETIVE
CORRESPONDENT" ENTITLED "FIERCER CONTENTION FOR
WORLD HEGEMONY BETWEEN THE US AND THE SOVIET UNION"
IS, DESPITE MISLEADING TITLE, A RINGING AND UNPRECEDENTED
PUBLIC ENDORSEMENT OF US POLICY IN EUROPE, AND REFLECTS
CHINESE CONCERN OVER REPORTS OF DETERIORATING US-PRC
RELATIONS, WHICH WERE IN DOLDRUMS BUT HAVE BEEN PICKING
UP SINCE HAK'S VISIT. COMING ONE MONTH AFTER PEOPLES
DAILY ARTICLE ATTACKING US MORE VEHEMENTLY THAN AT
ANY TIME SINCE BEGINNING OF "PING PONG DIPLOMACY",
ELEGANT SAYS OBVIOUSLY POLICY MAKERS DECIDED TO PUBLISH

SECOND ARTICLE TO CORRECT ANY MISAPPREHENSIONS AROUSED
IN WASHINGTON BY THE FIRST.

LATEST ARTICLE ABANDONS ROUTINE CHARGE OF US-USSR
COLLUSION WHILE KEEPING "CONTENDING" THEME; BUT "RITUAL
CHARGES" AGAINST US WERE KEPT TO ABSOLUTE MINIMUM
DEMANDED BY IDEOLOGY WHILE ALL THE OLD EPITHETS WERE
ACCORDED TO SOVIETS. ELEGANT ALSO SEES IN ARTICLE
A "CLEAR EXHORTATION" TO US TO STRENGTHEN ITS DEFENSES
(JAN 3).

IN JAN 1 LAT, ELEGANT ASSESSED 1974 IN PRC AS "ONLY
MIDDLING BAD", AND IN RETROSPECT PERHAPS RATHER GOOD.
CHOU, DESPITE HOSPITALIZATION, SKILLFULLY STRENGTHENED
HAND OF MODERATES AGAINST CHIANG CHING RADICALS, WITH
MAO VIRTUALLY POWERLESS POLITICALLY AND GRAVELY HANDI-
CAPPED PHYSICALLY. FARM YIELD INCREASED BECAUSE FARMERS
WERE ALLOWED TO GET ON WITH FARMING, BUT DISLOCATIONS
IN INDUSTRY AND TRANSPORT CAUSED BY INFIGHTING WERE
NOT WHOLLY REMEDIED. PRC'S MOST IMPORTANT RELATIONSHIP -
THAT WITH US - WAS REASONABLY, THOUGH NOT SPECTACULARLY,
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HEALTHY AT YEAR'S END AFTER VICISSITUDES DURING THE YEAR. WHILE US-PRC AXIS IS NOT YET SIGNIFICANT FORCE IN WORLD AFFAIRS, IT HAS POTENTIAL. AND EVEN RADICALS AGREE THAT USSR IS STILL PUBLIC ENEMY NO. 1.

YALE PROF. LEON LIPSON, CHAIRMAN OF RECENT YALE DELEGATION TO PRC, WRITES TO NYT TO SET RECORD STRAIGHT IN RESPONSE TO (HARVARD'S) JEROME COHEN'S CHARGE THAT YALIES ACQUIESCED IN CHINESE DEMAND THAT THREE SCHOLARS BE DROPPED FROM 15 MAN GROUP. SAYS YALE TOUR WAS NOT PART OF ACADEMIC EXCHANGE BUT MADE UNDER AUSPICES OF CHINA INTL. TRAVEL SERVICE, TO WHOM 18 YALE SCHOLARS APPLIED. 15 RECEIVED VISAS, THREE REJECTED WITHOUT EXPLANATION. THE 15 PROTESTED BY PHONE AND TELEGRAM TO PRCLO, REMONSTRATED PERSONALLY IN PEKING, AND BY LETTER AFTER RETURN TO NEW HAVEN. THEY MADE PLAIN TO CHINESE, SAYS LIPSON, THAT UNEXPLAINED TREATMENT OF THEIR COLLEAGUES PROMISES NO GOOD FOR FUTURE OF REGULAR ACADEMIC EXCHANGES.

CSM'S MURARKA (1/6) IN MOSCOW REPORTS SPECIAL ARTICLE BY TSEDENBAL ON MPR'S 50TH ANNIVERSARY IN SOVIET JOURNAL FAR EAST AFFAIRS. MURARKA SAYS TSEDENBAL MADE "EXTRAORDINARY REVELATION" THAT PRC LEADERS DEMANDED INCORPORATION OF MPR INTO CHINA AFTER CRITICISM OF STALIN BEGAN IN 1956, SAYING THAT ONE OF NEGATIVE CONSEQUENCES OF PERSONALITY CULT WAS STALIN'S REFUSAL TO MERGE MONGOLIA WITH CHINA. PRC

LEADERS SAID THEY CONSIDERED MONGOLIA, LIKE TAIWAN, MUST BE MERGED WITH PRC.

TSEDENBAL ALSO CHARGED THAT EVEN AFTER MPR-PRC BORDER TREATY SIGNED IN 1952, CHINESE CONTINUED CAUSE TROUBLE ALONG THE BORDER. MURARKA CONTENDS THAT WHILE MOSCOW IS ANXIOUS TO KEEP MONGOLIA AS A BUFFER, THE CHINESE SEE IN MONGOLIA A PERMANENT THREAT OF MONGOL NATIONALISM REVIVING WITH CHINA.

11. CAMBODIA

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DECRYING COMMUNIST MASSACRE OF 50 CIVILIANS AT ANG SNUOL, CSM (1/6) SAYS MY LAI DISCLOSURES OUTRAGED THE WORLD, AND SIMILAR OUTRAGE CALLED FOR BY THIS KILLING OF

CIVILIANS. BUT THERE MUST ALSO BE PITY FOR VICTIMS, COMPASSION FOR BEREAVED AND REPUDIATION OF SUCH INHUMAN EXCESSES. MY LAI'S HORROR ROUSED THE HEART AND CONSCIENCE OF AMERICA; ANG SNUOL "OUGHT TO SPEAK TO THE HEART AND CONSCIENCE OF THOSE WHOSE CAUSE IT HAS SO GRIMLY DISSERVED."

12. KOREA

NYT SEOUL (CHITRIB, JAN 6) FINDS SK-NK RELATIONS HAVE LARGELY REVERTED TO HOSTILITY SINCE TALKS BEGAN. INCREASINGLY RARE MEETINGS HAVE BOGGED DOWN; MILITARY CLASHES HAVE INCREASED PERCEPTIBLY OVER PAST YEAR; ANGRY PROPAGANDA NOW RESUMED, DESPITE NO-SLANDER PLEDGE; AND NK TUNNEL UNDER DMZ FOUND. STILL, US OFFICIALS IN SEOUL CAREFULLY INSIST SIGNS DO NOT MEAN BOTH SIDES WISH TO BREAK OFF TALKS, OR OUTBREAK OF WAR NEAR. SOME WESTERN INTELLIGENCE SPECIALISTS NOTE NK HAS NOT CHANGED DMZ "ESSENTIALLY DEFENSIVE POSITIONS." DESPITE BREAKDOWN, TALKS' VERY EXISTENCE PRODUCED FIRST N-S EXCHANGES SINCE WAR, AND HELPED BREAK NK'S LONG ISOLATION, WHICH SAW NUMBER OF COUNTRIES WHICH RECOGNIZE IT DOUBLE. FAILURE OF COMMUNIST NATIONS TO RECOGNIZE ROK HAS TRIGGERED DEEP RESENTMENT IN SEOUL BUT WESTERN DIPLOMATS ARGUE THAT EXPOSURE OF PYONGYANG TO OUTSIDE WORLD MAY INTRODUCE MEASURE OF REALISM INTO NK POLICY, WHICH WOULD BENEFIT SK. ALSO, IN VIEW OF WESTERN DIPLOMATS, NK REJECTION OF SEPARATE ENTRY INTO UN, COUPLED WITH N-S DIALOGUE, HAS HELPED INCREASE INTERNATIONAL RECOGNITION THAT "TWO KOREAS" DO EXIST.

13. BURMA/THAILAND

IN ONE OF SERIES OF ARTICLES ON WORLD FOOD SITUATION, NYT'S LELYVELD FROM BANGKOK SAYS CRISIS TALK USUALLY FOCUSES ON RICH NATIONS' SURPLUSES AND POOR COUNTRIES' DEFICITS. NOTES POSSIBILITY EXISTS OF POOR NATIONS WITH SURPLUSES THAT CAN BE SENT TO NEIGHBORS, AND UNCLASSIFIED

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THAT THAILAND AND (TO LESSER EXTENT) BURMA HAVE USUALLY HAD SURPLUSES AND HAVE BARELY STARTED TO EXPLORE RICE "GREEN REVOLUTION". SAYS THAT IN COMING YEAR, THAILAND WILL EXPORT ABOUT ONE MILLION TONS OF RICE, BUT BURMESE EXPORTS WILL BE NEGLIGIBLE OR NONEXISTANT, EXCEPT FOR WHAT IS SMUGGLED INTO BANGLADESH AND MALAYSIA. POINTS OUT THAT PROBLEMS EXIST IN REGIONAL DISTRIBUTION. STATES THAT IBRD AND OTHER ADVISERS UNTIL RECENTLY URGED THAIS TO DIVERSIFY EXPORT CROPS; ADVICE WAS BASED ON "ROSILY OPTIMISTIC" ASSESSMENT OF GREEN

REVOLUTION POSSIBILITIES IN OTHER COUNTRIES. BUT WITH HIGH WORLD PRICES AND CONCERN WITH IMPOVERISHED PADDY FARMERS IN THAILAND, THERE IS RENEWED INTEREST IN UPPING RICE OUTPUT.

LELYVELD NOTES THAT IN LAST DECADE THAILAND HAS STEADILY INCREASED RICE YIELDS AND ACREAGE, WITH PRODUCTION RISING ENOUGH TO OUTPACE "DANGEROUSLY HIGH" POPULATION GROWTH RATE. CONTRASTS THIS WITH BURMA'S AGRIC FAILURE, "UNPARALLELED IN ASIA," WITH YIELDS, ACREAGE AND PRODUCTION STAGNANT FOR 35 YEARS, WHILE POPULATION WENT FROM 14 TO 30 MILLION. BUT SEES PROBLEMS IN BOTH COUNTRIES AS SIMILAR: LACK OF STRONG SENSE OF URGENCY, ADMIN PROBLEMS, AND LACK OF HIGH-YIELDING RICE VARIETIES SUITABLE FOR PREVAILING CULTIVATION METHODS.

THAIS ARE WORKING ON DEVELOPMENT OF NEW TYPES, AND BURMESE DEVELOPED IMPROVED VARIETIES, BUT ONLY SMALL AMOUNT BEING GROWN. LELYVELD BELIEVES COMEBACK FOR BURMA AS MAJOR EXPORTER REQUIRES MORE THAN NEW VARIETIES; IT MEANS TRANSPLANTING INSTEAD OF SOWING BY BROADCASTING IN FURROWS, AS IS PREFERRED BY ESTIMATED 30-40 PCT OF BURMESE FARMERS. SAYS GUB HAS RAISED RICE PRICE AND FORBADE PRIVATE TRADING IN RICE TO GAIN CONTROL OF MARKET, BUT BLACK-MARKET PRICE IS DOUBLE OFFICIAL ONE, SO "EFFORT SEEMS DOOMED." CONCLUDES THAT UNLOCKING VAST PRODUCTION POTENTIAL OF THAILAND AND BURMA IS WAY TO BUY ASIA TIME AGAINST FAMINE. KISSINGER

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